

SENATE BILL No. 176

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-1-8.

Synopsis: Local rainy day funds. Allows a political subdivision to establish a rainy day fund. Provides that a rainy day fund established by a political subdivision consists of the unused and unencumbered balance that is: (1) remaining in a fund consisting of amounts raised by a general or special tax levy on all the taxable property of the political subdivision; and (2) transferred by the political subdivision to the political subdivision's rainy day fund.

Effective: July 1, 2001.

Kenley

January 8, 2001, read first time and referred to Committee on Governmental and Regulatory Affairs.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 176

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-1-8-5 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) This section applies to all
3 funds raised by a general or special tax levy on all the taxable property
4 of a political subdivision.
5 (b) Whenever the purposes of a tax levy have been fulfilled and an
6 unused and unencumbered balance remains in the fund, the fiscal body
7 of the political subdivision shall order the balance of that fund to be
8 transferred as follows, unless a statute provides that it be transferred
9 otherwise:
10 (1) Funds of a county, to the general fund **or rainy day fund** of
11 the county, **as provided in section 5.1 of this chapter.**
12 (2) Funds of a municipality, to the general fund **or rainy day**
13 **fund** of the municipality, **as provided in section 5.1 of this**
14 **chapter.**
15 (3) Funds of a township for redemption of poor relief obligations,
16 to the poor relief fund of the township.
17 (4) Funds of any other political subdivision, to the general fund **or**



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1 **rainy day fund** of the political subdivision, ~~but~~ **as provided in**
 2 **section 5.1 of this chapter. However,** if the political subdivision
 3 is dissolved or does not have a general fund **or rainy day fund,**
 4 then to the general fund of each of the units located in the
 5 political subdivision in the same proportion that the assessed
 6 valuation of the unit bears to the total assessed valuation of the
 7 political subdivision.

8 (c) Whenever an unused and unencumbered balance remains in the
 9 civil township fund of a township and a current tax levy for the fund is
 10 not needed, the township fiscal body may order any part of the balance
 11 of that fund transferred to the debt service fund of the school
 12 corporation located in or partly in the township; but if more than one
 13 (1) school corporation is located in or partly in the township, then any
 14 sum transferred shall be transferred to the debt service fund of each of
 15 those school corporations in the same proportion that the part of the
 16 assessed valuation of the school corporation in the township bears to
 17 the total assessed valuation of the township.

18 SECTION 2. IC 36-1-8-5.1 IS ADDED TO THE INDIANA CODE
 19 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 20 1, 2001]: **Sec. 5.1. (a) A political subdivision may establish a rainy**
 21 **day fund to receive transfers of unused and unencumbered funds**
 22 **under section 5 of this chapter.**

23 (b) The rainy day fund is subject to the same appropriation
 24 process as other funds that receive tax money. Before making an
 25 appropriation from the rainy day fund, the fiscal body shall make
 26 a finding that the proposed use of the rainy day fund is consistent
 27 with the intent of the fund.

28 (c) The state board of tax commissioners may not reduce the
 29 actual or maximum permissible levy of a political subdivision as a
 30 result of a balance in the rainy day fund of the political subdivision.

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